



News Release

For information contact:

Lisa Schultz
Chief Communications Officer
CNL Financial Group
(407) 650-1223

**CNL HEALTHCARE PROPERTIES ACQUIRES 10 SENIOR LIVING COMMUNITIES
IN SIX STATES**

-- The \$158.2 million investment strengthens, diversifies CNL Healthcare Properties' portfolio --

(ORLANDO, Fla.) Jan. 10, 2013 — CNL Healthcare Properties, an investment offering focused on senior housing and healthcare real estate, has acquired 10 senior living communities through two separate transactions totaling \$158.2 million. The purchases, which were all in the East and Midwest, add a combined 671 senior living units to CNL Healthcare Properties' growing portfolio.

The first acquisition consists of five assets purchased from Capital Health Holdings for \$85.1 million. Three of the properties are in Maryland: Symphony Manor in Baltimore, Woodholme Gardens in Pikesville and Tranquility at Fredericktowne in Frederick. The other two properties are in Michigan: Brookridge Heights in Marquette and Curry House in Cadillac. The average age of the portfolio is nine years; the Michigan properties underwent major renovations and expansions in 2010.

Capital Health Group Management, a subsidiary of the Capital Health Holdings, will manage these properties. The communities collectively have 348 units, including 225 assisted living units and 123 memory care units.

The second acquisition is of five assets from Primrose Retirement Communities for \$73.1 million. The properties included in this transaction are: Primrose Retirement Community of Decatur in Decatur, Ill.; Primrose Retirement Community of Council Bluffs in Council Bluffs, Iowa; Primrose Retirement Community of Lima in Lima, Ohio; Primrose Retirement Community of Zanesville in Zanesville, Ohio; and Primrose Cottages in Aberdeen, S.D. The properties have a total of 323 units, including 174 independent living units, 128 assisted living units and 21 memory care units. Primrose will continue to operate the communities under long-term lease agreements.

In February, CNL Healthcare Properties made its first real estate investment by acquiring five senior living communities from Primrose for \$84 million.

“Our first year of investment has been very active and we are thrilled to end the year with the acquisition of these portfolios, which punctuates our interest in senior living communities,” said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties. “Our second transaction with Primrose is a real testament to the strong alignment and relationship that has been forged between our two enterprises in a short period of time. Similarly, our transaction with Capital Health launches a relationship with an experienced and dynamic developer and operator of senior living communities that we, collectively, expect will grow in breadth and depth over time.”

Since February of 2012, CNL Healthcare Properties, formerly CNL Healthcare Trust, has invested in more than \$528 million of healthcare real estate consisting of 27 senior living communities across the U.S. The company changed its name, effective Dec. 26, 2012, in response to Washington state regulations.

Financial advisors can contact the managing dealer of the REIT, CNL Securities, member FINRA/SIPC, at (866) 650-0650 (www.CNLSecurities.com).

About CNL Healthcare Properties

CNL Healthcare Properties, Inc., is an investment offering that will seek to acquire properties in the senior housing and healthcare sectors, although it may also acquire other income-producing properties. The company intends to qualify as a non-traded real estate investment trust. CNL Financial Group, LLC is the sponsor of CNL Healthcare Properties. For more information, visit www.CNLHealthcareProperties.com.

About CNL Financial Group

CNL Financial Group (CNL) is a leading private investment management firm providing global real estate and alternative investments. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$26 billion in assets. CNL is headquartered in Orlando, Florida. For more information, visit www.cnl.com.

Caution Concerning Forward-Looking Statements

The information above contains “forward-looking statements” within the meaning of the Federal Private Securities Litigation Reform Act of 1995. The Company intends that such forward-looking statements be subject to the safe harbors created by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that do not relate strictly to historical or current facts, but reflect management's current understandings, intentions, beliefs, plans, expectations, assumptions and/or predictions regarding the future of the Company's business and its performance, the economy, and other future conditions and forecasts of future events, and circumstances. Forward-looking statements are typically identified by words such as “believes,” “expects,” “anticipates,” “intends,” “estimates,” “plans,” “continues,” “pro forma,” “may,” “will,” “seeks,” “should” and “could,” and words and terms of similar substance. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, our actual results could differ materially from those set forth in the forward-looking statements due to a variety of risks, uncertainties and other factors. Some factors that might cause such a difference include, but are not limited to, the following: risks associated with our investment strategy; a worsening economic environment in the U.S. or globally, including financial market fluctuations; risks associated with real estate markets, including declining real estate values; availability of proceeds from our offering of our shares; our failure to obtain, renew or extend necessary financing or to access the debt or equity markets; the use of debt to finance our business activities, including refinancing and interest rate risk and our failure to comply with debt covenants; our ability to identify and close on suitable

investments; failure to successfully manage growth or integrate acquired properties and operations; risks related to development projects or acquired property value-add conversions, including construction delays and cost overruns; inability to obtain necessary permits and/or public opposition to these activities; our ability to make necessary improvements to properties on a timely or cost-efficient basis; competition for properties and/or tenants; defaults on or non-renewal of leases by tenants; failure to lease properties on favorable terms or at all; the impact of current and future environmental, zoning and other governmental regulations affecting our properties; the impact of changes in accounting rules; the impact of regulations requiring periodic valuation of the Company on a per share basis; inaccuracies of our accounting estimates; unknown liabilities of acquired properties or liabilities caused by property managers or operators; material adverse actions or omissions by any joint venture partners, if applicable; increases in operating costs and other expenses; uninsured losses or losses in excess of our insurance coverage; the impact of outstanding and/or potential litigation; risks associated with our tax structuring; failure to qualify and maintain our REIT qualification; and our ability to protect our intellectual property and the value of our brand. Given these uncertainties, we caution you not to place undue reliance on such statements. For further information regarding risks and uncertainties associated with our business, please refer to the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections of our documents filed from time to time with the U.S. Securities and Exchange Commission, including, but not limited to, our annual report on Form 10-K and quarterly reports on Form 10-Q, and our registration statement on Form S-11 and the sticker supplements and amendments thereto, copies of which may be obtained from our Web site at <http://www.cnlhealthcareproperties.com>.

We undertake no obligation to publicly release the results of any revisions to these forward looking-statements that may be made to reflect future events or circumstances or to reflect the occurrence of unanticipated events.

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